



## CITY OF GLADSTONE

### GUIDELINES FOR POVERTY EXEMPTION REVIEW

#### **Purpose**

To implement MCL 211.7u and Michigan State Tax Commission guidance for consistent, transparent, and lawful review of poverty exemption applications for property tax relief.

#### **Eligibility Requirements**

- **Ownership and occupancy** — Applicant must own and occupy the property as the principal residence at the time of application.
- **Required forms** — File Michigan Department of Treasury Form 5737 (Application for MCL 211.7u Poverty Exemption) Form 4988 (Poverty Exemption Affidavit) may be used for household members not required to file tax returns.
- **Income documentation** — Provide federal and state income tax returns for the current or immediately preceding year for all household members required to file, or Form 4988 where applicable.
- **Identification and ownership proof** — Provide a valid driver license or other ID and deed, land contract, or other evidence of ownership if requested.
- **Complete application** — Applications must be complete and accurate; incomplete or inaccurate submissions may be denied.

#### **Income Test**

- **Minimum standard** — The City adopts the prior calendar year Federal Poverty Guidelines published by the U.S. Department of Health and Human Services as the minimum income eligibility standard.
- **What counts as income** — Total household income includes wages, net self-employment receipts, retirement and disability payments, regular public assistance, alimony, child support, dividends, interest, rental income, and other recurring receipts. The Michigan homestead property tax credit is not considered income.

## **Asset Test**

- **Asset cap** — The City adopts a maximum allowable total asset value of \$9,500. The total value of all assets owned by the applicant and household members must not exceed \$9,500.
  - **Exclusions from asset cap** —
    - **Principle Residence**— The value of the principal residence and reasonable personal effects (furniture and clothing) are excluded from the asset calculation.
    - **Vehicle exclusion** — One (1) licensed motor vehicle per income-producing household member will be excluded from the asset cap. Recreational vehicles (campers, motorhomes, boats, ATVs) and additional motorized vehicles are counted as assets.
- **Valuation and verification** — Applicants must list all assets and provide documentation as requested. The Board of Review may require additional verification and may deny applications where assets are not properly identified.

## **Full and Partial Exemptions**

- **Statutory percentages** — The Board of Review will grant a poverty exemption, in whole or in part, consistent with MCL 211.7u(5): 100%, 75%, 50%, or 25% reduction in taxable value for the year granted. No other percentage reductions may be used without State Tax Commission approval via Form 5738.
- **Local criteria for partial awards** — The Board will consider total household income relative to adopted income thresholds, household size, documented assets, and demonstrated financial need when selecting a partial exemption percentage.

## **Income Table for Partial Exemption Determination**

Household Income Relative to Federal Poverty Guidelines	Exemption Percentage
At or below 100% of prior-year Federal Poverty Guidelines	100%
101% to 125% of prior-year Federal Poverty Guidelines	75%
126% to 150% of prior-year Federal Poverty Guidelines	50%
151% to 175% of prior-year Federal Poverty Guidelines	25%
More than 175% of prior-year Federal Poverty Guidelines	0%

## **Application Process and Board Procedures**

- **Filing window** — Forms 5737 and 5739, with supporting documentation, must be filed with the local assessing unit on or after January 1 and no later than the day before the last day of the December Board of Review in the year for which the exemption is requested. Applicants should confirm local filing deadlines with the Assessor.
- **Assessor review** — The Assessor will screen applications for completeness, request additional documentation as needed, and forward complete applications to the Board of Review.
- **Board decision** — The Board will apply these guidelines when granting or denying exemptions and may not deviate from adopted policy. Decisions for a specific tax year are final for that year and cannot be reheard later in the same calendar year.
- **Fraud or incomplete information** — The Board will deny any application that appears fraudulent, misleading, or incomplete; denial notices will explain reasons for denial and appeal instructions.

## **Appeals and Remedies**

- **Board of Review Decision**— Appeals of the Board of Review must be filed with the Michigan Tax Tribunal within 35 days of the Board’s decision.
- **Concurrent appeals** — Filing a poverty exemption claim does not prevent an applicant from appealing the property assessment in the same year.

## **Publication and Recordkeeping**

- **Publication** — The City will publish the adopted policy, Forms 5737 and 5739, and any local thresholds or dollar amounts on the City website and make them available at the Assessor’s Office.
- **Record retention** — The City will retain application and verification documents according to record-retention law and audit program requirements.

### Local Administration Details

- **Adopted income threshold** — Prior-year Federal Poverty Guidelines or local alternative (published annually).
- **Adopted asset cap** — \$9,500.
- **Vehicle rule** — One licensed vehicle excluded per income-producing household member.
- **Contact** — Assessor's Office, City of Gladstone, 906-428-2311, [assessor@gladstonemi.gov](mailto:assessor@gladstonemi.gov), Office Hours: Tuesdays 12:00PM-4:00PM.

